# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS **SECURITIES DIVISION**

IN THE MATTER OF DETERMINING

Universal Energy Solutions, Inc.; Mike Campa; Mark

Respondents.

Thomas Duboise: their employees and agents

THE STATE OF WASHINGTON TO:

SUMMARY ORDER TO CEASE AND

Whether there has been a violation

of the Securities Act of the State

of Washington by:

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DESIST

SUMMARY ORDER TO CEASE AND DESIST

Case No. 02-03-123

S-02-380-02-TO01

Universal Energy Solutions, Inc. Mike Campa

Mark Thomas Duboise

#### STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Universal Energy Solutions, Inc., Mike Campa and Mark Thomas Duboise have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each of them to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. Securities Administrator finds as follows:

#### TENTATIVE FINDINGS OF FACT

#### I. Respondents

1. Universal Energy Solutions, Inc. ("Universal Energy"), a California corporation, maintains a business address at 4676 Lakeview Avenue, Yorba Linda, California.

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- 2. Mark Thomas Duboise ("Duboise") is the president of Universal Energy Solutions, Inc.
- 3. Mike A. Campa ("Campa") is a Senior Account Executive for Universal Energy Solutions, Inc.

## II. Nature of the Offering

- 4. In early 2002, at least one Washington resident received an unsolicited telephone call from Mike Campa regarding an investment opportunity in Energy 2000, Inc. ("Energy 2000"). Campa told the potential investor that he was selling limited partnership interests in oil well drilling operations in Texas, through Universal Energy Solutions. The Washington resident was not acquainted with Campa and had not heard of Universal Energy Solutions or Energy 2000 prior to their conversation. Even though the resident did not show interest in the investment opportunity, Campa sent, or caused to be sent, an offering memorandum, purchaser questionnaire and subscription agreement for Energy 2000, in March 2002.
- 5. According to the offering material provided by Campa, Energy 2000 is seeking investors to purchase interests in limited partnerships for oil wells in the Woodbine Field area of Texas. The minimum investment is \$16,000 for a 1% interest in the limited partnership. Collectively, the investors will receive 75% of the working interest and 60% of the net revenue interest. The offering material anticipates that the limited partnership would have profits of \$1,412,124 in the first year with revenue decreasing by 15% a year from depletion of the oil reserves. Based upon these figures, the offering material states that the anticipated return on the minimum investment of \$16,000 for the first year is 88% and the investors would break even within the first 14 months of investing and double their investment within three years of investment. In total, the anticipated return on a \$16,000 investment would be \$74,845 in the 14 year anticipated life of the investment.
- 6. The offering material contained discrepancies regarding what limited partnership was being offered to a prospective investor. According to the offering memorandum, the investment was in "Woodbine Field Production Enhancement Project #2" but the Subscription Agreement and Purchaser Questionnaire both name the investment as "Working Interest, Limited Partnership". Both the Subscription Agreement and Purchaser Questionnaire appear to be exhibits to a document entitled "Confidential Private Placement Memorandum" dated March 1, 2002. The potential investor did not receive a "Confidential Private Placement Memorandum" or a document dated March 1, 2002.

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- 7. Soon after the resident received the offering materials in the mail, Campa called to discuss the investment. Campa told him that although the investment was not guaranteed it was almost impossible to not do well, that it was as close to guaranteed as possible. When the resident highlighted discrepancies in the offering materials related to what limited partnership was being offered, Campa told him not worry, that he had much more information and knowledge regarding the investment and that it was a good investment. Campa told the resident that he did have an ownership interest in the investment but most of his income was from selling the investment opportunity. Neither Campa, nor the offering material, specified how much he would receive for selling the limited partnerships.
- 8. The offering material provided by Campa failed to provide financial statements for Energy 2000 Inc., disclose the use of investor funds or disclose the compensation for Campa and Universal Energy Solutions.
- 9. On May 9, 2002 the Pennsylvania Securities Commission issued a Summary Order to Cease and Desist against Energy 2000, Universal Energy Solutions and Duboise to halt the offer and sale of unregistered securities in Pennsylvania. On June 27, 2002 the Missouri Secretary of State issued a cease and order against Mike Campa and Omega Capital Group for offering and selling unregistered oil and gas investments to Missouri residents without a securities agent registration.

# III. Registration Status

- 10. Universal Energy Solutions, Inc. is not currently registered to sell its securities in the state of Washington and has not previously been so registered.
- 11. Mike Campa is not currently registered as a securities salesperson or broker-dealer in the state of Washington.
- 12. Mark Thomas Duboise is not currently registered as a securities salesperson or broker-dealer in the state of Washington.
- 13. On April 15, 2002 the Securities Division received a filing for exemption from registration for Working Interest, LP from Energy 2000 but the Securities Division has not received a filing for Woodbine Field Production Enhancement Project #2. According to the Working Interest filing, Energy 2000 has or will pay Amerivet Securities to

solicit investors. Universal Energy Solutions is not listed as an entity that will solicit investors in the state of Washington on any of the filings for exemption from registration submitted by Energy 2000 to the Securities Division.

Based on the foregoing Tentative Findings of Fact, the following Conclusions of Law are made.

## **CONCLUSIONS OF LAW**

## I. <u>Securities</u>

14. The offer and/or sale of the investment opportunities described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005 (10) and (12).

## II. Anti-Fraud Provision

15. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as set forth in section II of the Tentative Findings of Fact, Respondents omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

## III. Registration of Securities

16. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section of the Securities Act, because no registration for such offer and/or sale is on file with the Securities Administrator of the state of Washington.

## IV. Registration of Broker-Dealer and Salespersons

17. Respondent Mike Campa has violated RCW 21.20.040 by offering and/or selling said securities while not being registered as a broker-dealer or securities salesperson in the state of Washington

#### **EMERGENCY**

The Securities Administration finds that an emergency exists and that the continued violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing public.

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SUMMARY ORDER TO CEASE AND DESIST

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## **SUMMARY ORDER**

Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents, Universal Energy Solutions, Inc., Mike Campa, Mark Thomas Duboise, their agents, and employees shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further SUMMARILY ORDERED that Respondents, Universal Energy Solutions, Inc., Mike Campa, Mark Thomas Duboise, their agents, and employees shall each cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act.

It is further SUMMARILY ORDERED that Respondents, Universal Energy Solutions, Inc., Mike Campa, Mark Thomas Duboise, their agents, and employees shall each cease and desist from violating RCW 21.20.040, the securities broker-dealer, securities salesperson registration section of the Securities Act.

## **AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of Chapter 34.05 RCW. The Respondents, Universal Energy Solutions, Inc., Mike Campa and Mark Thomas Duboise may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Tyler Letey.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to that Respondent.

SUMMARY ORDER TO CEASE AND DESIST

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.		
2	DATED this 22nd day of January 200	3.	
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4		Debouh R Brhe	
5		DEBORAH R. BORTNER	
6		Securities Administrator	
7	Approved by:	Presented by:	
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9	Michael E. Stevenson Chief of Enforcement	Tyler Letey Staff Attorney	
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